

**BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF DELAWARE**

IN THE MATTER OF THE REQUEST FOR)	
PROPOSALS AND THE REVIEW AND)	
APPROVAL OF ANY PROPOSED)	
CONTRACT(S) FOR THE PURCHASE OF)	PSC DOCKET NO. 16-1031
WIND-GENERATED RENEWABLE ENERGY)	
CREDITS BY DELMARVA POWER & LIGHT)	
COMPANY)	
(FILED NOVEMBER 1, 2016, REVISED)	
JUNE 14, 2018, REVISED DECEMBER 21,)	
2018))	

ORDER NO. 9336

AND NOW, this 31st day of January 2019, the Delaware Public Service Commission ("Commission") determines and orders the following:

WHEREAS, Exelon Corporation ("Exelon") and Pepco Holdings, Inc. ("PHI") executed an Agreement and Plan of Merger on April 29, 2014, and an Amended and Restated Agreement and Plan of Merger on July 18, 2014; and

WHEREAS, on June 18, 2014, Exelon, PHI, Delmarva Power & Light Company ("Delmarva"), and other related entities (collectively, the "Joint Applicants") filed an application (the "Merger Application") with the Commission seeking approval of the proposed Merger of Exelon and PHI (the "Merger") and the resulting change in control of Delmarva pursuant to 26 Del. C. §§ 215 and 1016. The Commission opened PSC Docket No. 14-193 to review the Merger Application; and

WHEREAS, after evidentiary hearings, the Commission approved the Amended Merger Settlement Agreement and the Merger;¹ and

WHEREAS, Paragraph 84 of the Amended Merger Settlement Agreement contains an obligation for Delmarva to issue competitive requests for proposals ("RFPs") to purchase wind Renewable Energy Credits ("RECs") on commercially reasonable terms in three tranches. The primary factor to be considered in the RFP bid process will be price. The first tranche will be for RECs from one or more wind renewable generating facilities with an aggregate capacity of up to 40 MW (nameplate) beginning in compliance years 2017-2018, and the second tranche will be will be for RECs from one or more wind renewable generating facilities with an aggregate capacity of up to 40 MW (nameplate) beginning in compliance years 2019-2020;² and

¹ See Order No. 8746, June 2, 2015.

² Paragraph 84 of the Merger Settlement Agreement provides as follows:

For the purpose of meeting the renewable portfolio standards under current law, Delmarva Power will issue a competitive request for proposals ("RFP(s)") to purchase wind Renewable Energy Credits ("RECs") on commercially reasonable terms in three tranches: (1) the first for RECs from one or more renewable generating facilities with an aggregate capacity of up to 40 MW (nameplate) beginning in the compliance years 2017-2018 for a term of 10 to 15 years; (2) the second for RECs from one or more renewable generating facilities with an aggregate capacity of up to 40 MW (nameplate) beginning in the compliance years 2019-2020 for a term of 10 to 15 years; and (3) the third for RECs from one or more renewable generating facilities with an aggregate capacity of up to 40 MW (nameplate) beginning in the compliance years 2023-2024 for a term of 10 to 15 years. The Settling Parties agree that if circumstances or conditions change (including but not limited to a material change in the projected

WHEREAS, on December 1, 2016, in Order No. 8990, this Commission approved the issuance of Tranche 1 and the revised RFP; and

WHEREAS, the Tranche 1 RFP was issued on February 17, 2017, and the lowest bidder was selected; however, near the conclusion of the negotiations of the final contract, the bidder informed Delmarva that it could not obtain the necessary contract security and a contract was never executed; and

WHEREAS, to address the fact that the Tranche 1 RFP did not result in a 40 MW REC contract, Delmarva created a Tranche 2 RFP with the following two changes from the previously approved Tranche 1 RFP: (1) an option for bidders to propose an additional 40 MW (i.e., up to 80 MW) in their bids; and (2) the contract security provisions have been modified to provide more options for the required contract security; and

load of Delmarva Power such that fewer RECs are required, or a substantial change in the cost of RECs through the spot market such that additional spot-market purchases in lieu of long-term contract purchases would be prudent), they will work in good faith with each other and present any proposed modification to the Commission as may be warranted by those changed conditions. The primary factor under the RFP bid process will be price, and all costs associated with the REC agreement(s) will flow through the Renewable Portfolio Compliance Rate surcharge currently in place to assure complete and timely cost recovery by Delmarva Power. Delmarva Power, with the concurrence of the Renewable Energy Task Force, shall file any such RFP pursuant to this paragraph with the Commission for its review and required approval prior to issuance. Any proposed contract(s) resulting from the RFP shall also be submitted to the Commission for final review and approval before execution.

WHEREAS, on June 14, 2018, Delmarva filed a Request to Approve Tranche 2 Request for Proposals for the Purchase of Wind-Generated Renewable Energy Credits, which included a revised redline of the Commission's previously approved RFP titled "Request for Proposals for Wind Renewable Energy Credits" and dated April 30, 2018; and

WHEREAS, on July 10, 2018, the Commission approved the revised Request for Proposals for Wind Renewable Energy Credits, which Delmarva issued on April 30, 2018, and filed with the Commission on June 14, 2018; and

WHEREAS, consistent with the provisions of Paragraph 84 of the Amended Merger Settlement Agreement, Delmarva must seek approval of any proposed REC purchase contract(s) resulting from the RFP through a subsequent filing in this docket; and

WHEREAS, on December 21, 2018, Delmarva filed an Application for Approval of Land Based Wind Ten Year Environmental Asset/Renewable Energy Credit Purchase Agreement ("Application"), along with prefiled testimony supporting the requested approval, the Third-Party Evaluation Report of Pace Global, and the proposed Environmental Attribute Purchase Agreement ("EAPA") between Delmarva and Avangrid Renewables, LLC, for RECs from 40 MW³ project contract-related capacity; and

³Application, Exhibit 1, Facility Description, nameplate capacity rating is 208 MW. Exhibit 2, Contract Terms, the contract-related capacity is 40 MW.

WHEREAS, the Application states that the RECs will be delivered starting August 2019; and

WHEREAS, based on the historical unit performance, the project is expected to deliver 103,808⁴ RECs annually. RECs will be delivered monthly and tracked through PJM GATS;⁵ and

WHEREAS, no later than February 8, 2019, Delmarva shall cause to be published notice of the public comment period and the intervention period, both ending on February 18, 2019, and notice of the Evidentiary Hearing date occurring before the Commission on March 5, 2019;

**NOW THEREFORE, IT IS ORDERED BY THE AFFIRMATIVE VOTE OF NOT
FEWER THAN THREE COMMISSIONERS:**

1. Delmarva shall publish the form of notice attached as Exhibit "A" in the following newspapers, by the designated dates, in two-column format outlined in black:

February 8, 2019 - The News Journal

February 8, 2019 - Delaware State News

Delmarva shall cause affidavits of publication of the above notices to be filed in this docket within two weeks of becoming available.

⁴On page 7 of the Application page 7, the project has a contract-related nameplate capacity of 40 MW with a 29.625% Capacity Factor. Therefore, the number of RECs = $40 \text{ MW} \times 8760 \times 0.29625 = 103,808 \text{ MWh}$; 8760 is the number of hours in a year.

⁵"GATS" means the generation attribute tracking system developed by PJM. See 26 Del. C. § 352(9) and 26 Del. Admin. C. § 3008-1.1.

2. Interested person may file petitions for intervention, written comments, or objections to the Application on or before February 18, 2019.

3. Pursuant to Rule 2.9.3 of the Commission's Rules of Practice and Procedure, Mark Lawrence is designated as Hearing Examiner for the purpose of granting or denying petitions for intervention.

4. An Evidentiary Hearing in this docket will be held on March 5, 2019 at 1:00 P.M. in the Commission Hearing Room.⁶

5. Delmarva is hereby notified that it will be charged the costs of this proceeding under 26 Del. C. § 114(b)(1).

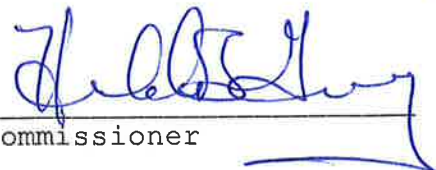
6. That the Commission reserves the jurisdiction and authority to enter such further orders in this matter as may be deemed necessary or proper.

BY ORDER OF THE COMMISSION:

Chairman



Commissioner



Commissioner

⁶ See 26 Del. C. § 1007(b) and 29 Del. C. § 10124.

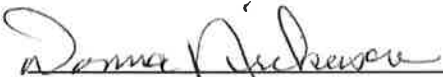


Commissioner



Commissioner

ATTEST:


Secretary

E X H I B I T "A"

**BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF DELAWARE**

IN THE MATTER OF THE REQUEST FOR)
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CONTRACT(S) FOR THE PURCHASE OF) PSC DOCKET NO. 16-1031
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CREDITS BY DELMARVA POWER & LIGHT)
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(FILED NOVEMBER 1, 2016, REVISED)
JUNE 14, 2018, REVISED DECEMBER 21,)
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**PUBLIC NOTICE OF REQUEST FOR PROPOSALS AND REVIEW AND APPROVAL
OF ANY PROPOSED CONTRACT(S) FOR THE PURCHASE OF WIND-GENERATED
RENEWABLE ENERGY CREDITS BY DELMARVA POWER & LIGHT COMPANY**

TO: ALL CUSTOMERS OF DELMARVA POWER & LIGHT COMPANY

On December 21, 2018, Delmarva Power & Light Company ("Delmarva" or the "Company") filed with the Delaware Public Service Commission (the "Commission") an application ("Application") requesting approval of a ten-year fixed price agreement for the purchase of Renewable Energy Credits ("RECs") for the purpose of complying with Order No. 8746 dated June 2, 2015, Order No. 9032 dated February 23, 2017, and Order No. 9244 dated July 10, 2018.

The Application included prefiled testimony, a Third-Party Evaluation Report of Pace Global, and the Delmarva/Avangrid Environmental Asset Purchase Agreement/Contract.

On July 10, 2018, in PSC Order No. 9244, the Commission approved Delmarva's Request to Approve Tranche 2 Request for Proposals that was filed on June 14, 2018.

Interested persons may file written comments or objections to the proposed rates and tariff changes **on or before February 18, 2019**. If you wish to formally participate as a party in this matter, with the right to present evidence and be represented by counsel, you must file with the Commission a written petition requesting leave to intervene in accordance with the requirements of the Commission's Rules of Practice and Procedure (26 Del. Admin. C. § 1001-2.9) **on or before February 18, 2019**. All written comments, objections, or petitions for leave to intervene can be filed in the Commission's electronic filing system, DelaFile, see the link <https://delafile.delaware.gov/Login2.aspx> or can be sent to the Commission's address:

Delaware Public Service Commission
861 Silver Lake Blvd.
Cannon Bldg., Suite 100
Dover, DE 19904
Attn: PSC Docket No. 16-1031

Petitions filed after the **deadline of February 18, 2019**, will not be considered except for good cause shown.

An Evidentiary Hearing will be heard before the Commission on **March 5, 2019 at 1:00 P.M.** at the Commission's address listed above.

You are invited to review Delmarva's Application and supporting documents to determine how your interests may be affected. You may review documents posted on the Commission's website in the DelaFile E-filing system located at <https://delafile.delaware.gov/> using Docket Number 16-1031. If you would like to review documents at the Commission's offices, please contact Donna Nickerson at donna.nickerson@delaware.gov to arrange a time for your review. You may also review copies of Delmarva's Application and supporting documents at the office of the Division of the Public Advocate located at the Carvel State Office Building, 4th Floor, 820 North French Street, Wilmington, Delaware 19801, or 29 South State Street, Dover, Delaware 19901. Please call (302) 577-5077 (Wilmington) or (302) 241-2545 (Dover) to arrange for a time to review the documents at those locations.

If you wish to request copies of documents in this matter, please submit a Freedom of Information Act Request Form. This form may be found at <https://delaware.gov/topics/foia>. There is also a link to the Freedom of Information Act Request Form on the Commission's website at:

https://delaware.gov/help/foia_request.shtml?subj=DOS

http://delaware.gov/help/foia_request.shtml?subj=PSC

The Commission will respond to your request in accordance with the Delaware Freedom of Information Act, 29 Del. C. ch. 100.

If you have a disability and wish to participate or to review the materials in this matter, please contact the Commission to discuss any auxiliary aids or services you might need to help you. You may contact the Commission in person, by writing, by telephone (including text telephone), by Internet e-mail, or other means.

If you have questions about this matter, you may call the Commission at 1-800-282-8574 (toll-free in Delaware) or (302) 736-7500 (voice and text telephone). You may also send questions regarding this matter by Internet e-mail addressed to pamela.knotts@delaware.gov.